(12) INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

(19) World Intellectual Property Organization
International Bureau

(54) Title: A SYSTEM AND METHOD FACILITATING MORTGAGE BANKING AND RELATED REAL ESTATE SERVICES
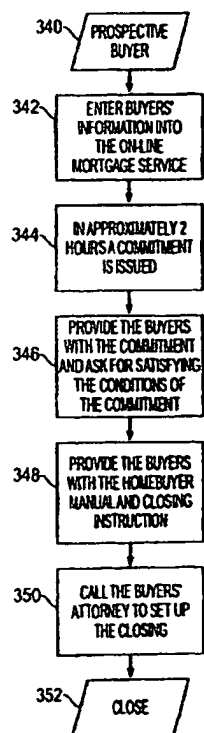
(57) Abstract: A system and method for applying for a mortgage over a network. A Realtor (342) enters the buyer's (340) information into a computer and sends the information over the network to a mortgage service. The mortgage service obtains the buyer's (340) credit reports and incorporates the credit with the information. A decision maker receives the information and the credit reports and either grants a mortgage commitment (346) or denies the buyer's (340) mortgage application. The buyer (340) is informed of the decision over the network. Once the buyer (340) meets the conditions of the mortgage commitment (346), the mortgage service provides a final underwriting for the mortgage.

WO 01/27832 A1

A SYSTEM AND METHOD FACILATING MORTGAGE
BANKING AND RELATED REAL ESTATE SERVICES

CROSS-REFERENCE TO RELATED APPLICATIONS

This application claims priority from U.S. Provisional Application No. 60/158,143, filed October 8, 1999, which is incorporated herein by reference.

FIELD OF THE INVENTION

The invention relates to a system and method for facilitating mortgage banking and related real estate services over a network and more particularly to gathering mortgage information at a point of contact and filing for a mortgage over a network directly to a decision maker who either provides a conditional approval or denies the mortgage application in a short time, e.g., within two hours. BACKGROUND OF THE INVENTION

Referring to Figure 1, a block diagram of the major parties involved in an exemplary real estate transaction of the prior art is illustrated. An interested buyer 10 typically has three options as to who he or she contacts in order to obtain a mortgage 12. A knowledgeable buyer may go directly to a mortgage banker 14 or mortgage broker 16. However, the typical buyer usually is not very knowledgeable with respect to mortgages and goes to a real estate broker 18. The real estate broker or Realtor performs a preliminary pre-qualification to determine how much money the interested buyer can afford 22. The Realtor then decides who to direct the buyer to 24. The Realtor directs the buyer to either a mortgage broker 26 or to a bank 28. Eventually the buyer receives a conditional mortgage and later closes the real estate transaction, thereby receiving a mortgage. Once a mortgage has been granted, the mortgage broker or bank typically sells the mortgage to another bank or wholesale lender 20.

Referring to Figure 2, a block diagram of an exemplary mortgage process of the prior art is illustrated. The Realtor 40 has to coordinate with the loan officer to check the status of

the buyer's mortgage application, as well as coordinating with the buyer to check the status of the buyer's responsibilities to meet the condition requirements for the mortgage.

The Realtor calls a loan officer on behalf of the buyer 42. The Realtor waits for the loan officer to return his or her call 44. The Realtor and loan officer setup an appointment for the buyer to meet with the loan officer 46. After the buyer and loan officer meet, the Realtor calls the loan officer to see if the buyer qualifies for a mortgage 48. At this point, the Realtor asks the loan officer for a pre-qualification to determine the approximate size of the mortgage the buyer qualifies for 50. The Realtor usually needs to remind the loan officer to fax the pre-qualification results to the Realtor 52. After the buyer finds a property he or she is interested in purchasing, the Realtor calls the loan officer to order an appraisal for the property 54. Typically, the Realtor needs to follow-up to determine the status of the appraisal 56. The Realtor calls the loan officer to see if he or she has submitted the mortgage application file to processing 58. The Realtor calls the loan officer to see if the file cleared processing and if there are any conditions 60. The Realtor calls the loan officer to see if the file has been submitted to underwriting 62. The Realtor calls the loan officer to see if the file cleared underwriting 64 as well as to see if there are any underwriting conditions 66. The Realtor calls the loan officer to remind him or her of the mortgage contingency date 68. Once the mortgage conditions are met, the Realtor calls the loan officer to see if underwriting has provided a clearing to close 70. Once the Realtor receives the clear to close, the Realtor setups the closing 86.

The Realtor also calls the buyer to determine how the buyer is progressing 72. The Realtor calls the buyer's attorney to see if the seller's attorney has ordered the title for the property 74. The Realtor calls the buyer to remind him or her to order homeowner insurance. 76 The Realtor assists the buyer in finding a home inspector for the home inspection 78. The Realtor calls the buyer to see if the inspection report is ok 80. The Realtor calls the buyer's

attorney to setup the closing 82. The Realtor calls the buyer to remind him or her to bring everything they need for the closing, such as DEAs, money, etc.84. At this point the buyer is ready to close and the closing takes place 86.

Referring to Figure 3, a block diagram of an exemplary mortgage process of the prior art is illustrated. To start the mortgage process, the buyer needs to meet with a loan officer 100. The loan officer obtains information from the buyer to complete a mortgage application as well gathering the necessary documentation for the mortgage process 102. The documentation can include W-2s, pay stubs, account balances, etc. The loan officer sends the application and applicable documentation to a processor 104. The processor reviews the paperwork for accuracy and completeness, obtains the buyer's credit reports, and organizes the paperwork into a package according to an underwriter's guidelines 106. The processor sends the package to a mortgage broker 108. A file-opener opens the package on behalf of the underwriter, checks the package for completeness, accuracy, proper ordering, supplements the package if needed 110. The underwriter then checks the package for completeness, accuracy, proper ordering, supplements the package if needed, and submits the package to a senior underwriter 112. The senior underwriter decides to grant or deny the mortgage 114. The buyer is informed of the underwriter's decision 116. This process typically takes between thirty to sixty days from the day the buyer fills out the application and the day the buyer is informed of the mortgage broker's decision. Thus the process is very time consuming. The amount of time for a buyer to receive a conditional mortgage commitment can impact the buyer's deal. For example, a seller may elect to accept another offer if another buyer already has been pre-approved or is already approved for a mortgage. Therefore, a buyer going through the traditional mortgage process can be at a disadvantage in attempting to purchase real estate.

Referring to Figure 4, a block diagram of the personnel involved in an exemplary real estate transaction of the prior art is illustrated. The personnel involved 120 can be broken into three groups: buyers team 122, lending team 124 and sellers team 126. The buyers team includes a buyer broker 128, a buyer broker assistant 130, a real estate attorney 132, and an insurance company 134. The buyers team 128 protects the buyer. The lending team 124 includes a loan officer 136, the credit company 138, a loan opener 140, a processor 142, an underwriter 144, an inspector 146, an appraiser 148, and a review appraiser 150. The lending team 124 protects their investment. The sellers team 126 includes a listing broker 152, a listing broker assistant 154, a seller's attorney 156, a title company 158, a survey company 160, and a flood certification service 162. The sellers team 126 protects the seller. Thus, a large number of people are necessary to complete a real estate transaction. Unfortunately, the more people needed to complete the transaction the longer the process takes.

Referring to Figure 5, a block diagram of an exemplary on-line mortgage process of the prior art is illustrated. Typically, on-line mortgage processes are utilized by a buyer who deals directly with an on-line mortgage company through the company's website rather than going through a Realtor. Once at the website 170, the buyer chooses a mortgage program 172 from a limited selection. Thus, the buyer needs to be educated on the different programs in order to choose the mortgage best suited for his or her needs. As a result, the buyer is left, more or less, on their own to choose a mortgage program and interest rate. Once the home buyer has chosen the program and rate 174, a loan officer or mortgage counselor 176 is brought in to assist in the mortgage process. The mortgage counselor 176 assists the buyer in the application process 178, pre-approval 180, processing 182, underwriting 184 and funding 186. Unfortunately, since the process is not completely electronic, the buyer and mortgage counseler spend considerable time mailing information back and forth. For example, the buyer completes a mortgage application, provides the necessary documentation, provides

payment and sends the paperwork to the loan officer through the mail. The loan officer receives the paperwork, determines whether pre-approval is appropriate and sends the result to the buyer through the mail. The buyer receives pre-approval, signs the necessary documents and sends the signed documents back to the mortgage company through the mail. The loan officer completes the final underwriting and provides the funding to the buyer.   Generally, the on-line mortgage companies provide quicker service then the traditional mortgage process, however the process still takes about three weeks. A large part of the delay is due to the amount of paperwork that must be sent between the mortgage counselor and the buyer. Since the process is still slow, some buyers end up going elsewhere for their mortgages. Even if the buyer remains with the on-line mortgage company, the buyer still has to line-up a title agent and set-up the closing.

Although the on-line mortgage process is quicker compared to the traditional, the on-line mortgage process encounters additional problems. Since on-line mortgage processes are directed toward potential buyers, the process involves very little human interaction. Typically, when a buyer goes through the on-line mortgage process, the Realtor is not assisting the buyer in interacting with the on-line mortgage service. Without a Realtor, the buyer needs to become self educated in the mortgage process to determine the best mortgage program for him and her and are left with talking with a buyer care representative 188 to answer any questions related to the on-line mortgage process. However the customer care representatives 188 are typically too inexperienced to offer much assistance to the buyer.

As for the on-line mortgage companies, the barrier to enter the market and attract buyers is difficult and costly. Since, the typical buyer profile is so specific, the number of potential clients is small and the cost of attracting such buyers is high. Moreover, the size of the workforce to complete the mortgage process is also high due to the fact that the process is not entirely electronic and requires workers to handle the high volume of paperwork.

Despite the large number of personnel required to complete a real estate transaction, the people most effected by the process are the buyer and Realtor. The person who has the most influence in determining whether the real estate transaction is completed is the loan officer. Loan officers and mortgage brokers serve as the middle person between the buyer and the Realtor on one side, and the mortgage company and the banks that the mortgage company is approved by on the other. Thus the Realtor and buyer are directly influenced by the loan officer. Unfortunately, the loan officer is a non-professional. For non-professionals, there is no regulatory licensing requirement and/or mandatory formal training that could actually serve as a measure of competence and standards by which a member of profession or trade can be measured. Hence, the Realtor and buyer are relying on the loan officer to complete the transaction.

The majority of the mortgage brokers offer very little training for the loan officers and those who do offer formal training offer the most fundamental and basic of knowledge necessary to satisfy the clients needs, while still observing all the laws and regulations which most loan officers are not made aware of. The reason that loan officers might not be aware of these rules and regulations is because the company they work for does not provide and are not obligated to providing any kind of training in many states.

Moreover, the loan officer gets paid based on a commission of the fees charged to the buyer. Thus the higher the interest rate quoted to the client, the higher the commission the loan officer receives. Therefore, the loan officer has an incentive in increasing the interest rate so he/she could make more money. The higher the interest rates the higher is the yield-spread premium and the higher is the loan officers' paycheck. More importantly, the higher the interest rate ,the less the purchase price or the loan amount that the buyer would qualify for which directly hurts the buyer and the Realtor.

Therefore, traditional mortgage processes, whether on-line or not, still require a large amount of time as well as a large number of personnel. If the buyer uses a Realtor, the buyer still deals with a loan officer who is typically inexperienced and does not have the buyer's interest in mind. If the buyer uses an on-line mortgage service, the buyer is left to make the decision of which mortgage program and rate to go with.

SUMMARY OF THE INVENTION

The problems of the prior art are overcome in accordance with one embodiment of the invention by providing an on-line mortgage service along with other related real estate services. Such a service allows a buyer to complete a mortgage application on-line with the on-line mortgage service providing a decision on a conditional mortgage within a short time, for example, within approximately two hours of receiving the application. In addition, by having the related real estate services on line as well, thus providing one stop shopping for the buyer. As a result, all of the necessary parties needed to complete the real estate purchase are available on-line, thereby allowing the entire the real estate transaction to be completed in a short time, approximately within forty-eight hours of filing the mortgage application.

In accordance with one embodiment of the invention, the buyer's mortgage application is submitted on-line and is received directly by a senior underwriter who makes the mortgage decision. Such a setup reduces the process as well as reducing personnel including eliminating the position of the loan officer. Since the buyer works with an educated Realtor, the buyer and Realtor are able to provide the best deal possible for the buyer.

Since Realtors and real estate professionals are the invention's primary market, the initial point of entry into the system is a human, thus allowing the buyer to deal with a human from the start. Moreover, since the system is directed towards real estate agents, minority buyers are not at a disadvantage if they do not have access to the Internet as found in many of the current electronic mortgage systems. Having the Realtors as the target market for the on-

7

line mortgage service provides a significant savings in marketing since the target market is smaller than the general public. Furthermore, educating the Realtors provides the buyer with a knowledgeable person to assist them in the entire mortgage process.

The advantages of the present invention will become readily apparent to those skilled in the art from the following detailed description, wherein only the preferred embodiments of the invention are shown and described, simply by way of illustration of the best mode contemplated of carrying out the invention. As will be realized, the invention is capable of other and different embodiments, and its several details are capable of modifications in various obvious respects, all without departing from the invention. Accordingly, the drawings and description are to be regarded as illustrative in nature, and not as restrictive.

BRIEF DESCRIPTION OF THE INVENTION

Figure 1 is a block diagram of the major parties involved in an exemplary real estate transaction of the prior art.

Figure 2 is a block diagram of an exemplary closing process of the prior art.

Figure 3 is a block diagram of an exemplary mortgage process of the prior art.

Figure 4 is a block diagram of the personnel required for an exemplary real estate transaction of the prior art.

Figure 5 is a block diagram is exemplary on line mortgage process of the prior art.

Figure 6 is a block diagram of the major parties involved in a real estate transaction in accordance with one embodiment of the invention.

Figure 7 is a block diagram of an exemplary computer system which could be utilized to carry out the invention.

Figure 8 is a block diagram of an exemplary closing process in accordance with one embodiment of the invention.

Figure 9 is a block diagram of exemplary steps taken prior to credit decision in accordance with one embodiment of the invention.

Figure 10 is a block diagram of exemplary steps taken by the on-line mortgage service in accordance with one embodiment of the invention.

Figures 11a-c are block diagrams of exemplary steps in approving or denying a mortgage application in accordance with one embodiment of the invention.

Figure 12 is a block diagram of personnel required for an exemplary real estate transaction in accordance with one embodiment of the invention.

.   Figure 13 is a block diagram of exemplary potential sources of income for a Realtor in accordance with one embodiment of the invention.

Figure 14 is a block diagram of exemplary procedures and protocols for Realtors and office administrations in accordance with one embodiment of the invention.

DESCRIPTION OF THE PREFERRED EMBODIMENT

The description of the invention which follows is exemplary. However, it should be clearly understood that the present invention may be practiced without the specific details described herein. Well known structures and devices are shown in block diagram form to avoid unnecessarily obscuring the present invention.

Referring to Figure 6, a block diagram of the major parties involved in a real estate transaction in accordance with one embodiment of the invention is illustrated. An interested buyer 210 is limited to two options as to who he or she contacts in order to obtain a mortgage 212. Sophisticated buyers will go directly to a bank 218. However, generally, an interested buyer will go directly to a Realtor or real estate broker who assists the buyer in obtaining a mortgage through the on-line mortgage service 214. By using the on-line mortgage service, the buyer does not go through a loan officer. Once a mortgage has been granted, the mortgage can be sold to a bank or wholesale lender 218.

9

Referring to Figure 7, a block diagram of a computer system in which an embodiment

of the invention can be implemented on is illustrated. Computer system 300 includes a bus

302 or other communication mechanism for communicating information, and a processor 304

coupled with bus 302 for processing information. Computer system 300 also includes a main

memory 306, such as a random access memory (RAM) or other dynamic storage device,

coupled to bus 302 for storing information and instructions to be executed by processor 304.

Main memory 106 also may be used for storing temporary variables or other intermediate

information during execution of instructions to be executed by processor 304. Computer

system 300 further includes a read only memory (ROM) 308 or other static storage device

coupled to bus 302 for storing static information and instructions for processor 304. A storage

device 310, such as a magnetic disk or optical disk, is provided and coupled to bus 302 for

storing information and instructions.

Computer system 300 may be coupled via bus 302 to a display 312, such as a cathode

ray tube (CRT), for displaying information to a computer user. An input device 314,

including alphanumeric and other keys, is coupled to bus 302 for communicating information

and command selections to processor 304. Another type of user input device is cursor control

316, such as a mouse, a trackball, or cursor direction keys for communicating direction

information and command selections to processor 304 and for controlling cursor movement on

display 312. This input device typically has two degrees of freedom in two axes, a first axis

(e.g., x) and a second axis (e.g., y), that allows the device to specify positions in a plane.

Computer system 300 operates in response to processor 304 executing one or more

sequences of one or more instructions contained in main memory 306. Such instructions may

be read into main memory 106 from another computer-readable medium, such as storage

device 310. Execution of the sequences of instructions contained in main memory 306 causes

processor 304 to perform the process steps described herein. In alternative embodiments,

10

hard-wired circuitry may be used in place of or in combination with software instructions to implement the invention. Thus, embodiments of the invention are not limited to any specific combination of hardware circuitry and software.

The term "computer-readable medium" as used herein refers to any medium that participates in providing instructions to processor 304 for execution. Such a medium may take many forms, including but not limited to, non-volatile media, volatile media, and transmission media. Non-volatile media includes, for example, optical or magnetic disks, such as storage device 310. Volatile media includes dynamic memory, such as main memory 306. Transmission media includes coaxial cables, copper wire and fiber optics, including the wires that comprise bus 302. Transmission media can also take the form of acoustic or light waves, such as those generated during radio wave and infrared data communications.

Common forms of computer-readable media include, for example, a floppy disk, a flexible disk, hard disk, magnetic tape, or any other magnetic medium, a CD-ROM, any other optical medium, punchcards, papertape, any other physical medium with patterns of holes, a RAM, a PROM, and EPROM, a FLASH-EPROM, other memory chip or cartridge, a carrier wave as described hereinafter, or any other medium from which a computer can read.

Various forms of computer readable media may be involved in carrying one or more sequences of one or more instructions to processor 304 for execution. For example, the instructions may initially be carried on a magnetic disk of a remote computer. The remote computer can load the instructions into its dynamic memory and send the instructions over a telephone line using a modem. A modem local to computer system 300 can receive the data on the telephone Line and use a infra-red transmitter to covert the data to main memory 306, from which processor 304 retrieves and executes the instructions. The instructions received by main memory 306 may optionally be stored on storage device 310 either before or after execution by processor 304.

11

Computer system 300 also includes a communication interface 318 coupled to bus 302. Communication interface 318 provides a two-way data communication coupling to a network link 320 that is connected to a local network 322. For example, communication interface 318 may be an integrated services digital network (ISDN) card or a modem to provide a data communication connection to a corresponding type of telephone line. As another example, communication interface 318 may be a local area network (LAN) card to provide a data communication connection to a compatible LAN. Wireless links may also be implemented. In any such implementation, communication interface 318 sends and receives electrical, electromagnetic or optical signals that carry digital data streams representing various types of information.

Network Link 320 typically provides data communication through one or more networks to other data devices. For example, network link 320 may provide a connection through local network 322 to a host computer 324 or to data equipment operated by an Internet Service Provider (ISP) 326. ISP 326 in turn provides data communication services through the world wide packet data communication network now commonly referred to as the "Internet" 328. Local network 322 and Internet 328 both use electrical, electromagnetic or optical signals that carry digital data streams. The signals through the various networks and the signals on network link 320 and through communication interface 318, which carry the digital data to and from computer system 300, are exemplary forms of carrier waves transporting the information.

Computer system 300 can send messages and receive data, including program code, through the network(s), network link 320 and communication interface 318. In the Internet example, a server 330 might transmit a requested code for an application program through Internet 328, ISP 326, local network 322 and communication interface 318. The received code may be executed by processor 304 as it is received, and/or stored in storage device 310,

or other non-volatile storage for later execution. In this manner, computer system 300 may obtain application code in the form of a carrier wave. In alternate embodiments, the server 330 is a computer, a work station or a user terminal.

Referring to Figure 8, a block diagram of an exemplary closing process in accordance with one embodiment of the invention is illustrated. The buyer 340, i.e., prospective buyer meets with the Realtor who enters the buyer's information electronically into the on-line mortgage service 342. In approximately two hours, the on-line mortgage service 342 issues a mortgage commitment to the buyer 344. The buyer is provided with the commitment and asked to complete the conditions of the commitment 346. The buyer is provided with the on-line mortgage service manuals and closing instructions 348. The buyer's attorney is called to setup the closing 350. The closing is completed 352.

Referring to Figure 9, a block diagram of exemplary steps 360 taken prior to a credit decision in accordance with one embodiment of the invention is illustrated. The first step is for the Realtor and buyer to meet so the Realtor can explain the benefits of using the on-line mortgage service to the buyer 362. This discussion includes comparing the on-line mortgage service with traditional mortgage purchasing procedures. For example, the Realtor would explain the traditional mortgage process in which the granting or denying the buyer's mortgage would take approximately 30-60 days 364. The buyer is informed of how the present invention can provide the buyer a pre-approval within a short time, such as within approximately two (2) hours as well as the benefits of the shortened mortgage process 366. In addition, the home buyer is informed of the benefits and convenience of having to only go through the one-step shopping process with the on-line mortgage service 368. The buyer is also informed of the value added by using the on-line mortgage service 370. The consumer is provided with the necessary RESPA brochures, brochures directed to the on-line mortgage service, and the disclosure and compliance manual 372, 376. Preferably, the buyer signs a

document acknowledging the receipt of these brochures 374. In addition, the buyer is informed that he or she has the choice to use other mortgage or finance companies 378.

At step 2, the Realtor collects the buyer's documentation and starts the preliminary processing 380. At this point, the buyer provides the Realtor with documents that are needed for the mortgage application. The documents include W2 forms, pay stubs, bank accounts, etc. The Realtor reviews the documents and accesses the website for the on-line mortgage service of the present invention using a computer. The Realtor assists the buyer in entering the buyer's information, verifying the accuracy of the information being entered, and fills out a document checklist 382. The Realtor organizes the paperwork into a standard order 384. The Realtor copies the documents and generates a preliminary list of missing documents for the buyer 386, 388. The Realtor registers the buyer as a user of the on-line mortgage service, thus allowing the buyer to track the status of his or her mortgage application. The Realtor sends copies of the documentation to the on-line mortgage service. The documentation can be sent via mail, hand delivered, etc.

At step 3, the Realtor obtains the buyer authorization for a credit check and goes over the necessary disclosures 390. The Realtor provides the buyer a general pre-qualification using the on-line mortgage service 392. The pre-qualification gathers general information from the buyer to provide the buyer mortgage estimates using the information provided by the home buyer. For example, the buyer provides the on-line mortgage service the approximate cost of the house and the interest rate to provide an estimate of the monthly mortgage costs. Thus the pre-qualification allows the buyer to determine if it is worthwhile to pay for a credit check. At this time, Realtor prints credit check authorization forms and disclosure forms related to the Realtor's role and his or her compensation 394. The buyer signs these forms in order to authorize the Realtor to proceed forward 396 If the buyer has any questions, they can talk with a customer care representative/processor 398.

14

At step 4, the real estate agent collects the fees 400. At this point, the only fees that are needed are for the credit checks. Payment for the credit check can be paid on-line or through the Realtor 402. The buyer is provided a receipt 404 and a receipt is placed into the buyer's file 406. The receipt can be either a hard copy or an electronic copy.

At step 5, the on-line application is reviewed 408. The application is submitted on-line and is automatically processed 410. The application is submitted to the on-line mortgage service for processing 412. The review of the application discussed below.

Referring to Figure 10, a block diagram of exemplary steps 420 taken after the credit decision in accordance with one embodiment of the invention is illustrated. The first step for the Realtor is to explain and educate the buyer about the meaning of a mortgage commitment 422. If necessary, a customer care representative can be involved. The buyer is given the mortgage commitment 424. The Realtor explains what the conditions of the mortgage commitment mean 426. The Realtor explains how to obtain the conditions 428. For example, if the buyer needs to obtain letters of direction, the Realtor explains how the buyer can go about obtaining them. The Realtor informs the buyer of the time frame to meet the conditions 430. The Realtor then obtains the necessary documentation to meet the conditions and checks off the documents off from the missing document list 432.

At step 2, the Realtor prints out the 1003 form and has the buyer sign additional disclosure forms 434. The Realtor downloads and prints the GFE, TIL with the APR, requested documents checklist and the missing documents checklist 436, 438, 440. If an FHA package and disclosures are needed, the Realtor prints them out as well 442. Similarly, if applicable disclosures are needed, such as an ARM disclosure 444, the Realtor prints them obtains the buyer's signature. In an alternate embodiment, the documents are sent to the Realtor or buyer via facsimile.

15

At step 3, the Realtor and buyer order the real estate related services 446. The services can include ordering title insurance 448, hazard insurance 450, appraisal 452, inspection 454, flood certificate 456, survey 458, attorney services 460, pest inspection 462, mortgage insurance 464, escrow services 466, etc. The on-line mortgage service provides a menu for these services which allow the Realtor and buyer to select the services on-line from parties that have a pre-existing relationship with the on-line mortgage service. In the preferred embodiment, the Realtor and buyer can also select non-real estate services which are discussed below in the further detail.

At step 4, the buyer receives a compliance and educational manual 468. The Realtor explains the benefits of the on-line mortgage service educational materials 470. The Realtor also informs the buyer of the benefits for filling out the HUD questionnaire and the fee reductions that are available for using HUD 472. The client signs another disclosure indicating that they received the compliance and educational manual 474. In an alternate embodiment, step 4 is combined into step 2.

At step 5, the buyer submits all of the buyer's documentation to the on-line mortgage service 476.

Referring to Figures 11a-c, block diagrams of the exemplary steps taken by the on-line mortgage service in accordance with one embodiment of the invention is illustrated. Once submitted, the on-line mortgage service receives the application and downloads the application to a decision maker 480. Upon downloading, the status of the buyer's file is updated indicating that the buyer's mortgage application has been sent to a decision maker. In addition, upon downloading of the application, the buyer's credit reports are obtained on-line and incorporated into the mortgage application 480.

The decision maker reviews the mortgage application and credit reports to determine accuracy and completeness 482. If necessary, the decision maker calls the buyer for

clarification of information to assist in the decision making 484. The decision maker determines who should approve the mortgage application 486. Since the decision maker is typically a senior underwriter who is familiar with the approval guidelines for one or more mortgage lenders, the decision maker is able to make an educated decision. The decision maker converts the mortgage application into the proper format for the mortgage lender who will be approving or denying the mortgage 488. The mortgage application needs to be converted into an extensible mark-up language, e.g. HTML, in order to forward the mortgage application to a disparate system.

The decision maker can approve the mortgage application on behalf of the on-line mortgage service so the on-line mortgage service acts as a mortgage lender 490a. The decision maker can send the mortgage application to a mortgage lender who has an automated mortgage application reviewing system 490c. Such an automated reviewing system returns a decision approving or denying the mortgage application within a very short time frame. In the preferred embodiment, the on-line mortgage service has pre-existing relationships with mortgage lenders such that the mortgage lender will be responsible for all of the mortgages that the on-line mortgage service provides them 490b. Thus the on-line mortgage service can approve a mortgage application and then sends the application to the mortgage lender 492a. In addition, the mortgage lender can be authorized to override or modify a mortgage lender's decision 492b. Since the decision maker is a senior underwriter and familiar with the mortgage lender's mortgage approval guidelines, mortgage lenders are willing to enter such relationships.

Once the decision maker reviews the mortgage application, the decision maker approves or denies the mortgage application on-line, the buyer is informed of the decision over the network 494. If the buyer's mortgage application is accepted, the buyer is granted a mortgage commitment. If approved, the necessary documents are generated and provided to

17

the buyer 496. The documents include a good faith estimate (GFE), truth in lending (TIL) documents, a commitment, additional disclosures, etc. The buyer's file is then forwarded for processing.

The on-line mortgage service then orders all of the verifications for the buyer 498. The verifications include verification of employment (VOE), verification of deposit (VOD), payoff's, title, appraisal, verification of mortgage (VOM), verification of rent (VOR), etc. Once the processor of the on-line mortgage service receives all of the requested documentation (pay stubs, W2s, back statements, verifications, etc.), the processor reviews the documents for accuracy and clarifies any discrepancies 450. If requested, the decision maker can lock the interest rate at this point 452.

Once all of the documentation is received, the processor stacks the mortgage application and documents into the proper order for the decision maker 454. The processor adds a cover sheet and everything goes back to the decision maker for final review 456. The decision maker reviews the stack to ensure accuracy and completeness. And returns the stack to the processor for shipment to the lender if an outside lender is needed 458. The buyer is informed of the final mortgage decision 460. If final approval is granted, then the processor informs the buyer and Realtor. If there are any outstanding conditions, the buyer is informed. If a denial is issued, the decision maker can try another mortgage lender on behalf of the buyer. If the application is suspended, then the buyer is informed and provided an opportunity to remedy the situation. Once all of the outstanding issues are met, the mortgage lender informs the on-line mortgage service. The buyer is informed and the closing is scheduled. The proper paperwork is provided to the necessary parties. For example, the fee sheet is sent to the lender.

The on-line mortgage service includes a tracking system as known in the art for updating the status of the buyer's mortgage application/file. After each step as described in

Figures 11a-11c, the status of the file is updated. For example, a status parameter is used to indicate the status of buyer's mortgage application. The buyer or Realtor can track the status of the buyer's mortgage application on-line.

Referring to Figure 12, a block diagram of the personnel needed to complete an exemplary real estate transaction in accordance with one embodiment of the invention is illustrated. The people involved 470 can be broken into three groups: on-line mortgage service/lender and Realtor 472, real estate attorney 474 and sellers team 476. The sellers team includes a listing broker 478 and a seller's attorney 480. Thus, the number of personnel needed to complete the transaction utilizing the on-line mortgage service is significantly reduced compared to the number personnel needed for the traditional transaction.

Referring to Figure 13, a block diagram of exemplary sources of income for a Realtor in accordance with one embodiment of the invention is illustrated. The sources of income can be broken down into four different groups: real estate sales category 502, mortgage and finance category 516, secondary real estate related service category 544, and secondary non-real estate services 556. The real estate sales category includes income from the current real estate sale 504, commission for the referral of the seller of the purchased property to on-line mortgage service national relocation database 506, referral from a nation wide relocation service 508, referral from the on-line mortgage service direct consumer marketing database 510, referral from the on-line mortgage service's vendor database 512, and the future sale of the current purchased property 514.

The mortgage and finance category 516 includes the mortgage for the buyer of the current property 518, possible mortgage for seller of the current property 520, the future refinance for the current buyer 522, second mortgage for the new owner 524, line of credit for the new owner 526, 100% and bill consolidation financing 528, home improvement loans 530, mortgage first and second consolidations 532, the mortgage for the new property after the sale

19

of the current one 534, commission for the referral to the seller of the purchased property to the on-line mortgage service national relocation database 536, referral from a nation wide relocation service 538, referral from the on-line mortgage service direct consumer marketing database 540, and referral from the on-line mortgage services vendor database 542.

The secondary real estate related services category 544 includes title 546, insurance 548, appraisal 550, inspection 552, and relocation services and nation wide referral database 554.

The secondary non-real estate related services 556 includes general contractor and remodelers 558, moving companies 560, travel agency and airline tickets 562, rental car companies 564, landscaping services 566, furniture companies 568, interior designs and decorators 570, public storage services 572, pet grooming 574, maid and cleaning services 576, security services 578, credit cards 580, banking 582, and relocation services and referral database 584.

Thus the Realtors income increase significantly by the use of on-line mortgage service.

Referring to Figure 14, a block diagram of exemplary management procedures and protocols for the Realtor and office administration in accordance with one embodiment of the invention is illustrated. There are three components for the Realtor and office administration 600: training and certification programs 602, joint marketing and advertising 616, and management, supervision and quality control 640.

Since the Realtor is an intermediary between the buyer and the mortgage loan center, the Realtor needs to be properly trained. The Realtor's training 602 includes system 604, software 606, finance 608, regulatory compliance 610, technology and marketing 612, and state required loan officer training 614. As a result of this training, the Realtor is able to properly assist a buyer with the mortgage process, as well as related and non-related services as discussed below.

Although Realtors are primary user of the on-line mortgage service, the buyer base grows as the popularity of the system grows, thus the Realtor can assist in the joint marketing and advertising of the automated mortgage service. The Realtor's marketing and advertising 616 can include placing a sign in the office window 618, place signs within the Realtor's place of business such as conference rooms and cafeteria 620, place a sign on the front desk 622, place literature and marketing materials in areas designated by the automated mortgage service 624, participate in automated mortgage service referral program 626, participate in automated mortgage service's recruiting mail-outs 628, participate in automated mortgage service recruiting events 630, place automated mortgage service's icon on all computer systems 632, place automated mortgage service's screen savers on all computer systems 634, place automated mortgage service's icon on all websites and webpages 636, and allow automated mortgage service attendance at all office events 638.

Management, supervision and quality control 640 assists in the success of the on-line mortgage service, thus steps need to be taken to ensure and improve these. The steps can include making sure the compliance manual receipt is signed 642, making sure that there is a receipt for all paid fees 646, making sure that all of the disclosure forms for automated mortgage system include signatures and initials 648, making sure the 1003 form is completed with signatures and initials 650, making sure the good faith estimate (GFE) is completed with signatures and initials 652, making sure that all lending disclosures are completed with signatures and initials 654, making sure the all FHA disclosures are completed with signatures and initials 656, making sure that the HUD questionnaire is completed with signatures and initials 658, making sure that all documents in the file are consistent with the document checklist 660, making sure that all documents are stacked in the proper order 662, fill out the final submission forms and contact sheet 664, ship out to the designated person for approval

666, such as the regional underwriter, and keep a copy of the receipt and tracking information 668.

Although the present invention has been described and illustrated in detail, it is clearly understood that the same is by way of illustration and example only and is not to be taken by way of limitation, the spirit and scope of the present invention being limited only by the terms of the appended claims and their equivalents.

What is claimed is:

1. A method of obtaining information for applying for a mortgage over a network,
comprising:

    prompting a buyer for information to complete a mortgage application over a network;

    receiving the information over the network;

    storing the information; and

    forwarding the information to a decision maker.

2. The method of claim 1, wherein upon receiving the information at least one credit
report is obtained over the network using the information and incorporating the at least one
credit report with the information.

3. The method of claim 2, further comprising receiving the information and at least
one credit report, reviewing the information and at least one credit report and either denying
the mortgage application or approving a mortgage commitment the mortgage application.

4. The method of claim 3, further comprising informing the buyer of the decision
approving or denying the mortgage application over the network.

5. The method of claim 4, further comprising generating and forwarding documents to
the buyer over the network if a mortgage commitment was granted.

6. The method of claim 5, further comprising prompting the buyer to select real estate
related services over the network in order meet the conditions of the mortgage commitment.

7. The method of claim 6, wherein the buyer selects at least one real estate related

service from the group consisting of ordering title insurance, hazard insurance, appraisal,

inspection, flood certificate, survey, attorney services, pest inspection, mortgage insurance,

and escrow services.

8. The method of claim 5, further comprising prompting the buyer to select non-real

estate services over the network.

9. The method of claim 7, wherein the buyer selects at least one non-real estate service

from the group consisting of general contractor and remodelers, moving companies, travel

agency and airline tickets, rental car companies, landscaping services, furniture companies,

interior designs and decorators, public storage services, pet grooming, maid and cleaning

services, security services, credit cards, banking, and relocation services and referral database.

10. The method of claim 2, further comprising receiving the information and at least

one credit report, reviewing the information and at least one credit report, selecting a

mortgage lender to send the information and at least one credit report, converting the

information and at least one credit report into a format and forwarding the converted

information and at least one credit report to the selected mortgage lender over the network for

automatic processing, wherein the selected mortgage lender either denies the mortgage

application or grants a mortgage commitment.

11. The method of claim 10, further comprising receiving a decision from the selected

mortgage lender over the network and informing the buyer of the decision over the network.

24

12. The method of claim of claim 11, further comprising generating and forwarding documents to the buyer over the network.

13. The method of claim 1, further comprising issuing a tracking identifier for the mortgage application and storing a status parameter for the mortgage application whereby the buyer can track the status of the mortgage application using tracking identifier.

14. The method of claim 13, further comprising prompting the buyer for a tracking identifier and displaying the status of the mortgage application based on the tracking identifier supplied by the buyer.

15. A system for applying for a mortgage over a network, comprising:

a first computer associated with a point of contact facility, the first computer connected to the network and configured for prompting a buyer for information for completing a mortgage application and forwarding the information over the network to a mortgage lender;

a second computer associated with a mortgage lender, the second computer connected to the network and configured for receiving the information from the first computer, storing the information and forwarding the information to a decision maker.

16. The system of claim 15, wherein a real estate agent assists the buyer in providing the information to the mortgage lender.

17. The system of claim 15, wherein the second computer uses the information from the buyer to obtain at least one credit report over the network using the information and incorporates the at least one credit report with the information from the buyer.

18. The system of claim 17, wherein the decision maker receives the information and at least one credit report, reviews the information and at least one credit report and either denies the mortgage application or grants a mortgage commitment.

19. The system of claim 18, further comprising the decision maker informing the buyer of the decision approving or denying the mortgage application over the network.

20. The system of claim 19, further comprising the second computer generating and forwarding documents to the first computer over the network if a mortgage commitment was granted, wherein the documents include at least one of a good faith estimate, truth in lending with the annual percentage rate, requested documents checklist, a missing documents checklist, federal housing act package, an ARM disclosure, and disclosures.

21. The system of claim 19, further comprising prompting the buyer to select real estate related services over the network in order meet the conditions of the mortgage commitment.

22. The system of claim 21, wherein the buyer selects at least one real estate related service from the group consisting of ordering title insurance, hazard insurance, appraisal, inspection, flood certificate, survey, attorney services, pest inspection, mortgage insurance, and escrow services.

23. The system of claim 19, further comprising prompting the buyer to select non-real estate services over the network.

24. The system of claim 23, wherein the buyer selects at least one non-real estate service from the group consisting of general contractor and remodelers, moving companies, travel agency and airline tickets, rental car companies, landscaping services, furniture companies, interior designs and decorators, public storage services, pet grooming, maid and cleaning services, security services, credit cards, banking, and relocation services and referral database.

25. The system of claim 17, wherein the decision maker receives the information and at least one credit report, reviews the information and at least one credit report, selects a mortgage lender to send the information and at least one credit report, converts the information and at least one credit report into a format and forwards the converted information and at least one credit report to the selected mortgage lender over the network for automatic processing, wherein the selected mortgage lender either denies the mortgage application or grants a mortgage commitment.

26. The system of claim 25, wherein the decision maker receives a decision from the selected mortgage lender over the network and sends the decision to the buyer over the network.

27. The system of claim 26, further comprising the second computer generating and forwarding documents to the first computer over the network if a mortgage commitment was granted, wherein the documents include at least one of a good faith estimate, truth in lending

with the annual percentage rate, requested documents checklist, a missing documents

checklist, federal housing act package, an ARM disclosure, and disclosures.

28. The system of claim 26, further comprising prompting the buyer to select real

estate related services over the network in order meet the conditions of the mortgage

commitment.

29. The system of claim 28, wherein the buyer selects at least one real estate related

service from the group consisting of ordering title insurance, hazard insurance, appraisal,

inspection, flood certificate, survey, attorney services, pest inspection, mortgage insurance,

and escrow services.

30. The system of claim 26, further comprising prompting the buyer to select non-real

estate services over the network.

31. The system of claim 30, wherein the buyer selects at least one non-real estate

service from the group consisting of general contractor and remodelers, moving companies,

travel agency and airline tickets, rental car companies, landscaping services, furniture

companies, interior designs and decorators, public storage services, pet grooming, maid and

cleaning services, security services, credit cards, banking, and relocation services and referral

database.

32. The system of claim 15, further comprising the second computer issuing a tracking

identifier for the mortgage application and storing a status parameter for the mortgage

application whereby the buyer can track the status of the mortgage application using tracking

identifier.

33. The system of claim 32, further comprising prompting the buyer for a tracking

identifier and displaying the status of the mortgage application based on the tracking identifier

supplied by the buyer.

34. A computer-readable medium bearing instructions for obtaining information for

applying for a mortgage over a network, said instructions being arranged to cause one or more

processors upon execution thereof to perform the steps of:

        prompting a buyer for information to complete a mortgage application over a network;

        receiving the information over the network;

        storing the information; and

        forwarding the information to a decision maker.

35. The computer-readable medium according to claim 34, wherein upon receiving the

information at least one credit report is obtained over the network using the information and

incorporating the at least one credit report with the information.

36. The computer-readable medium according to claim 35, further comprising

instructions for informing the buyer of the decision approving or denying the mortgage

application by the decision maker over the network.

37. The computer-readable medium according to claim 36, further comprising instructions for generating and forwarding documents to the buyer over the network if a mortgage commitment was granted.

38. The computer-readable medium according to claim 35, further comprising instructions for prompting the buyer to select real estate related services over the network in order meet the conditions of the mortgage commitment.

39. The computer-readable medium according to claim 38, further comprising instructions for prompting the buyer to select at least one real estate related service from the group consisting of ordering title insurance, hazard insurance, appraisal, inspection, flood certificate, survey, attorney services, pest inspection, mortgage insurance, and escrow services if a mortgage commitment was granted.

40. The computer-readable medium according to claim 35, further comprising instructions for prompting the buyer to select non-real estate services over the network if a mortgage commitment was granted.

41. The computer-readable medium according to claim 40, further comprising instructions for prompting the buyer to select at least one non-real estate service from the group consisting of general contractor and remodelers, moving companies, travel agency and airline tickets, rental car companies, landscaping services, furniture companies, interior designs and decorators, public storage services, pet grooming, maid and cleaning services, security services, credit cards, banking, and relocation services and referral database.

42. The computer-readable medium according to claim 35, further comprising instructions for converting the information and at least one credit report into a format for a selected mortgage lender and forwarding the converted information and at least one credit report to the selected mortgage lender over the network for automatic processing, wherein the selected mortgage lender either denies the mortgage application or grants a mortgage commitment.

43. The computer-readable medium according to claim 42, further comprising instructions for receiving a decision from the selected mortgage lender over the network and informing the buyer of the decision over the network.

44. The computer-readable medium according to claim 35, further comprising instructions for issuing a tracking identifier for the mortgage application and storing a status parameter for the mortgage application whereby the buyer can track the status of the mortgage application using tracking identifier.

45. The computer-readable medium according to claim 44, further comprising instructions for prompting the buyer for a tracking identifier and displaying the status of the mortgage application based on the tracking identifier supplied by the buyer.

FIG. 1
(PRIOR ART)

2/16   REALTOR ⟋—40

┌──────────────┐   ┌──────────────┐
│ CALL THE LOAN │ ⟋42   │   CALL THE   │ ⟋72
│   OFFICER   │   │   BUYER   │
└──────────────┘   └──────────────┘

┌─────────────────────────┐ ⟋44   ┌─────────────────────────────────────┐ ⟋74
│   WAIT FOR A RESPONSE   │   │CALL THE BUYERS' ATTORNEY TO SEE IF THE SELLERS'│
└─────────────────────────┘   │   ATTORNEY HAS ORDERED TITLE   │
                                         └─────────────────────────────────────┘
┌─────────────────────────┐ ⟋46   ┌─────────────────────────────────────┐ ⟋76
│ SETUP APPOINTMENT WITH CLIENTS │   │ CALL THE BUYER TO REMIND HIM/HER TO │
└─────────────────────────┘   │   ORDER HOMEOWNER INSURANCE   │
                                         └─────────────────────────────────────┘
┌─────────────────────────┐ ⟋48   ┌─────────────────────────────────────┐ ⟋78
│   CALL THE LOAN OFFICER FOR A   │   │   FIND AN INSPECTOR   │
│ FOLLOW-UP TO SEE IF THEY QUALIFY │   └─────────────────────────────────────┘
└─────────────────────────┘
                                         ┌─────────────────────────────────────┐ ⟋80
┌─────────────────────────┐ ⟋50   │   CALL THE BUYER TO SEE IF THE   │
│ ASK THE LOAN OFFICER FOR A PREQUAL │   │   INSPECTOR REPORT IS OK   │
└─────────────────────────┘   └─────────────────────────────────────┘

┌─────────────────────────┐ ⟋52   ┌─────────────────────────────────────┐ ⟋82
│ REMIND THE LOAN OFFICER TO FAX THE PREQUAL │ │   CALL THE BUYERS' ATTORNEY TO   │
└─────────────────────────┘   │   SET UP THE CLOSING   │
                                         └─────────────────────────────────────┘
┌─────────────────────────┐ ⟋54   ┌─────────────────────────────────────┐ ⟋84
│ AFTER YOU FIND THE PROPERTY CALL THE │ │ CALL THE BUYERS AND REMIND THEM TO BRING │
│ LOAN OFFICER TO ORDER APPRAISAL │   │   DEAS, MONEY, ETC   │
└─────────────────────────┘   └─────────────────────────────────────┘

┌─────────────────────────┐ ⟋56   ┌──────────┐ ⟋86
│   CALL THE LOAN OFFICER TO FIND   │   │ CLOSE   │
│   OUT ABOUT THE APPRAISAL │   └──────────┘
└─────────────────────────┘

┌─────────────────────────┐ ⟋58
│ CALL THE LOAN OFFICER TO SEE IF HE │
│ HAS SUBMITTED THE FILE TO PROCESSING │
└─────────────────────────┘

┌─────────────────────────┐ ⟋60
│ CALL THE LOAN OFFICER TO SEE IF THE FILE CLEARED │
│ PROCESSING AND IF THERE ARE ANY CONDITIONS │
└─────────────────────────┘

┌─────────────────────────┐ ⟋62
│ CALL THE LOAN OFFICER TO SEE IF THE FILE │
│ HAS BEEN SUBMITTED TO UNDERWRITING │
└─────────────────────────┘

┌─────────────────────────┐ ⟋64
│   CALL THE LOAN OFFICER TO SEE IF   │
│ THE FILE HAS CLEARED UNDERWRITING │
└─────────────────────────┘

┌─────────────────────────┐ ⟋66
│ CALL THE LOAN OFFICER TO SEE WHAT ARE │
│ THE UNDERWRITING CONDITIONS IF ANY │
└─────────────────────────┘

┌─────────────────────────┐ ⟋68
│ CALL THE LOAN OFFICER TO REMIND HIM/HER │
│ OF THE MORTGAGE CONTINGENCY DATE │
└─────────────────────────┘

┌─────────────────────────┐ ⟋70   FIG. 2
│   CALL THE LOAN OFFICER TO SEE IF   │   (PRIOR ART)
│ UNDERWRITING HAS A CLEAR TO CLOSE YET │
└─────────────────────────┘

SUBSTITUTE SHEET (RULE 26)

FIG. 3
(PRIOR ART)

FIG. 4
(PRIOR ART)

FIG. 5
(PRIOR ART)

FIG. 6

FIG. 7

FIG. 8

THERE ARE FIVE STEPS YOU NEED TO TAKE IN THE MEETING PRIOR TO CREDIT DECISION —360

(STEP ONE) EXPLAIN THE PROCESS AND THE BENEFITS —362

(STEP TWO) DOCUMENT COLLECTION AND PRELIMINARY PROCESSING —380

(STEP THREE) CREDIT AUTHORIZATION AND DISCLOSURES —390

(STEP FOUR) COLLECT THE FEES —400

(STEP FIVE) ONLINE APPLICATION —408

—364 GO THROUGH THE TRADITIONAL 30-60 DAYS PROCESS AND ITS DIFFICULTIES

—366 GO THROUGH OUR TWO HOUR APPROVAL PROCESS AND ITS BENEFITS

—368 GO THROUGH THE BENEFITS OF OVERBIDDING SHOPPING AND SUBORDINATE FINANCE IN OFFERS

—370 EXPLAIN THE VALUE ADDED APPROACH

—372 HAND THE CONSUMER THE DISCLOSURE & COMPLIANCE MANUAL

—374 HAVE THE CONSUMER SIGN A RECEIPT VERIFYING THE DELIVERY OF THE MANUAL TO THEM AT THE MEETING

—376 HAND THE CONSUMER ALL THE DISCLOSURE FORMS

—378 EXPLAIN TO THE CONSUMER THAT HE/SHE HAS CHOICE TO USE OTHER MORTGAGE OR FINANCE COMPANIES

—382 CHECK IF THE DOCUMENTS REQUESTED ARE AVAILABLE AND FILL OUT THE REQUESTED DOCUMENTS CHECKLIST

—384 ORGANIZE IN THE STANDARD ORDER

—386 MAKE A PRELIMINARY LIST OF MISSING DOCS

—388 COPY AVAILABLE DOCS

—392 CONDUCT A GENERAL PREQUALIFICATION

—394 PRINT AUTHORIZATIONS AND MORTGAGE BANKING CENTER DISCLOSURES RELATED TO THE ROLE OF THE REALTOR AND THE COMPENSATIONS THE REALTOR MIGHT RECEIVE

—396 HAVE CUSTOMER SIGN DOCS AFTER EXPLAINING THEM

—398 THE CLIENT HAS THE OPTION TO DEAL DIRECTLY WITH A CUSTOMER CARE REPRESENTATIVE TO ANSWER ANY QUESTIONS OR ADDRESS ANY CONCERNS

—402 CREDIT REPORT FEES FOR ALL PARTIES INVOLVED

—404 ISSUE RECEIPT

—406 INPUT RECEIPT IN FILE

—410 SUBMIT THE APPLICATION ONLINE WHAT HAPPENS HERE IS AUTOMATED

—412 THE APPLICATION IS SUBMITTED TO OUR AUTOMATED PROCESSING AND UNDERWRITING MODULE

FIG. 9

10/16

THERE ARE FIVE STEPS TO TAKE
AFTER THE RECEIPT OF THE PRELIMINARY
APPROVAL/MORTGAGE COMMITMENT ⟶ 420

422

(STEP ONE) EXPLAIN
EDUCATE AND INSTRUCT
ABOUT THE MEANING OF A
MORTGAGE COMMITMENT
(INVOLVE A CUSTOMER
CARE REP IF NEEDED)

↓ 424

GIVE THE CLIENT A
COPY OF ALL THE
MORTGAGE COMMITMENT

↓ 426

EXPLAIN WHAT THE
CONDITIONS MEAN

↓ 428

HOW TO OBTAIN
THEM IF NEEDED

↓ 430

TIME FRAME TO OBTAIN
THEM ASAP

↓ 432

TIE IT DOWN AND FILL OUT
THE CORRESPONDING
PARTS IN THE REQUESTED
DOCUMENTS CHECKLIST
AND THE MISSING
DOCUMENT LIST

434

(STEP TWO) PRINT TYPED
1003 AND SIGN ALL
DISCLOSURES

↓ 436

PRINT GOOD FAITH
ESTIMATE

↓ 438

PRINT TRUTH IN LENDING
WITH THE APR

↓ 440

PRINT OUT THE REQUESTED
DOCUMENTS CHECKLIST
AND THE MISSING
DOC LIST

↓ 442

FHA PACKAGE AND
DISCLOSURES IF NEEDED

↓ 444

ARM DISCLOSURES

446

(STEP THREE) AS
NEEDED ORDER REAL ESTATE
RELATED SERVICES

↓ 448

ORDER TITLE INSURANCE

↓ 450

ORDER HAZARD INSURANCE

↓ 452

ORDER APPRAISAL

↓ 454

ORDER INSPECTION

↓ 456

ORDER FLOOD

↓ 458

ORDER SURVEY

↓ 460

ORDER ATTORNEY
SERVICES

↓ 462

ORDER PEST INSPECTION
SERVICES

↓ 464

ORDER MORTGAGE
INSURANCE SERVICES

↓ 466

ORDER ESCROW
SERVICES

468

(STEP FOUR) GIVE THE
CLIENT THE COMPLIANCE AND
EDUCATIONAL MANUAL

↓ 470

EXPLAIN TO THE CLIENT
THE BENEFITS OF OUR
BUYER EDUCATIONAL
MATERIALS

↓ 472

EXPLAIN TO THE CLIENT
THE BENEFITS OF FILLING
OUT THE HUD
QUESTIONNAIRE AND THE
FEE REDUCTIONS
IT CAUSES

↓ 474

HAVE THE CLIENT SIGN THE
RECEIPT FOR RECEIVING
THE COMPLIANCE MANUAL

476

(STEP FIVE) SUBMIT
ALL MATERIALS TO
ON-LINE MORTGAGE
SERVICE

FIG. 10

11/16

```
                    ┌─────────────────────┐ ┌─480
                    │ APPLICATION DOWNLOADED│
                    │   TO A DECISION MAKER │
                    │  ALONG WITH THE BUYERS'│
                    │    CREDIT REPORTS     │
                    └─────────────────────┘
                              │
                              ▼
        ┌──────────────────┐┌─482  ┌──────────────────┐ ┌─484
        │ DECISION MAKER REVIEWS│   │ DECISION MAKER CALLS│
        │  THE APPLICATION AND  │──▶│    THE BUYER IF A    │
        │    CREDIT REPORTS     │   │ CLARIFICATION IS NEEDED│
        └──────────────────┘       └──────────────────┘
                    │◀──────────────────────┘
                    ▼
        ┌──────────────────┐ ┌─486
        │   DECISION MAKER  │
        │ DETERMINES WHO SHOULD│
        │ APPROVE THE MORTGAGE │
        │    APPLICATION       │
        └──────────────────┘
                    │
                    ▼
        ┌──────────────────┐ ┌─488
        │ DECISION MAKER CONVERTS│
        │   THE APPLICATION AND  │
        │  CREDIT REPORTS INTO A │
        │    SUITABLE FORMAT     │
        └──────────────────┘
```

DECISION MAKER ACCEPTS OR DENIES THE MORTGAGE APPLICATION ON BEHALF OF THE ON-LINE MORTGAGE SERVICE

DECISION MAKER ACCEPTS OR DENIES THE MORTGAGE APPLICATION ON BEHALF OF A MORTGAGE LENDER

DECISION MAKER SENDS THE MORTGAGE APPLICATION & CREDIT REPORTS TO AN AUTOMATED ON-LINE MORTGAGE LENDER

(A) 490a   (B) 490b   (C) 490c

FIG. 11A

A

B   492a   492b   C

```
┌─────────────────────┐        ┌─────────────────────┐
│ DECISION MAKER SENDS THE │   │ DECISION MAKER      │
│ MORTGAGE APPLICATION TO  │   │ REVIEWS THE MORTGAGE│
│ THE MORTGAGE LENDER      │   │ LENDER'S DECISION AND│
│ INFORMING THEM OF        │   │ MODIFIES THE DECISION IF│
│ THE DECISION             │   │ NEEDED & PERMITTED  │
└─────────────────────┘        └─────────────────────┘
```

494

```
┌─────────────────────┐
│ DECISION MAKER INFORMS │
│ THE BUYER OF THE       │
│ MORTGAGE COMMITMENT    │
└─────────────────────┘
```

496

```
┌─────────────────────┐
│ IF ACCEPTED THE DECISION │
│ MAKER GENERATES THE      │
│ NECESSARY DOCUMENTS AND  │
│ FORWARDS THEM TO THE     │
│ BUYER/REALTOR            │
└─────────────────────┘
```

D

FIG. 11B

(D)

498

THE BUYERS' VERIFICATION
DOCUMENTS ARE ORDERED

450

PROCESSOR RECEIVES ALL
OF THE REQUESTED
DOCUMENTS AND CHECKS
FOR COMPLETENESS
AND ACCURACY

452

LOCKS THE
MORTGAGE RATE

454

PROCESSOR ORGANIZES
AND STACKS THE
PAPERWORK

456

THE PAPERWORK GOES
TO THE DECISION MAKER
FOR FINAL REVIEW

458

RETURNS THE PAPERWORK
AND IF NECESSARY IT IS
SHIPPED TO THE OUTSIDE
MORTGAGE LENDER

460

INFORM BUYER OF
FINAL
DECISION

FIG. 11C

FIG. 12

15/16

```
                            ┌──────────────────┐
                            │ SOURCES OF INCOME│ 500
                            └──────────────────┘
```

502   516   500   544   556

```
  ╱REAL ESTATE╲    ╱MORTGAGE AND╲   ╱SECONDARY REAL ESTATE╲  ╱SECONDARY NON-REAL╲
 ╱SALES CATEGORY╲ ╱FINANCE CATEGORY╲╱RELATED SERVICES CATEGORY╲╱ESTATE RELATED SERVICES╲
```

Real Estate Sales	Mortgage and Finance	Secondary Real Estate Related Services	Secondary Non-Real Estate Related Services
THE CURRENT REAL ESTATE SALE — 504	THE MORTGAGE FOR THE BUYER OF THE CURRENT PROPERTY — 518	TITLE — 546	GENERAL CONTRACTORS AND REMODELERS — 558
COMMISSION FOR THE REFERRAL OF THE SELLER OF THE PURCHASED PROPERTY TO THE CYBERLOANOFFICER NATIONAL RELOCATION DATABASE — 506	POSSIBLE MORTGAGE FOR SELLER OF THE CURRENT PROPERTY — 520	INSURANCE — 548	MOVING COMPANY — 560
REFERRAL FROM A NATIONWIDE RELOCATION SERVICE — 508	THE FUTURE REFINANCE FOR THE LOAN CURRENT BUYER/OWNER — 522	APPRAISAL — 550	TRAVEL AGENCY AND AIRLINE TICKETS — 562
REFERRAL FROM THE CYBERLOANOFFICER DIRECT CONSUMER MARKETING DATABASE — 510	SECOND MORTGAGE FOR THE NEW OWNER — 524	INSPECTION — 552	RENT-A-CAR COMPANIES — 564
REFERRAL FROM THE CYBERLOANOFFICERS' VENDORS DATABASE — 512	LINE OF CREDIT FOR THE NEW OWNER — 526	RELOCATION SERVICES AND NATIONWIDE REFERRAL DATABASE — 554	LANDSCAPING SERVICES — 566
THE FUTURE SALE OF THE CURRENT PURCHASED PROPERTY — 514	100% AND BILL CONSOLIDATION FINANCING — 528		FURNITURE COMPANIES — 568
	HOME IMPROVEMENT LOANS — 530		INTERIOR DESIGN AND DECORATIONS — 570
	MORTGAGE FIRST AND SECOND CONSOLIDATIONS — 532		PUBLIC STORAGE SERVICES — 572
	THE MORTGAGE FOR THE NEW PROPERTY AFTER THE SALE OF THE CURRENT ONE — 534		PET GROOMING AND SERVICES — 574
	COMMISSION FOR THE REFERRAL OF THE SELLER OF THE PURCHASED PROPERTY TO THE CYBERLOANOFFICER NATIONAL RELOCATION DATABASE — 536		MAID AND CLEANING SERVICES — 576
	REFERRAL FROM A NATIONWIDE RELOCATION SERVICE — 538		SECURITY SYSTEM COMPANIES — 578
	REFERRAL FROM THE CYBERLOANOFFICER DIRECT CONSUMER MARKETING DATABASE — 540		CREDIT CARDS — 580
	REFERRAL FROM THE CYBERLOANOFFICERS' VENDORS DATABASE — 542		POSSIBLE CHECKING AND SAVINGS ACCOUNTS — 582

588

(REALTORS INCOME)

RELOCATION SERVICES AND NATIONWIDE REFERRAL DATABASE — 584

FIG. 13

16/16

FIG. 14

INTERNATIONAL SEARCH REPORT

A. CLASSIFICATION OF SUBJECT MATTER
IPC(7)   :G06F 17/60
US CL   :705/38. 35. 39. 42. 43: 235/379. 380
According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. :   705/38. 35. 39, 42. 43: 235/379, 380

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

   NONE

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

   WEST, DIALOG

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate. of the relevant passages	Relevant to claim No.
X	US 5,870,721 A (NORRIS) 09 February 1999, col. 4, line 7 thru col. 9, line 32.	1-45
X,P	US 6,105,007 A (NORRIS) 15 August 2000, col. 5, line 10 thru col. 10, line 35.-	1-43
X,P	US 6,088,686 A (WALKER et al) 11 July 2000, col. 6, line 16 thru col. 17, line 37.	1-43
A	US 5,797,133 A (JONES et al) 18 August 1998, entire document.	1-43
A,P	US 5,983,206 A (OPPENHEIMER) 09 November 1999, entire document.	1-43
A,P	US 5,995,947 A (FRASER et al) 30 November 1999, entire document.	1-43

☐ Further documents are listed in the continuation of Box C.   ☐ See patent family annex.

*	Special categories of cited documents:	"T"	later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
"A"	document defining the general state of the art which is not considered to be of particular relevance		
"E"	earlier document published on or after the international filing date	"X"	document of particular relevance: the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
"L"	document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)		
		"Y"	document of particular relevance. the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
"O"	document referring to an oral disclosure, use, exhibition or other means		
"P"	document published prior to the international filing date but later than the priority date claimed	"&"	document member of the same patent family

Date of the actual completion of the international search	Date of mailing of the international search report
15 DECEMBER 2000	**25 JAN 2001**
Name and mailing address of the ISA/US Commissioner of Patents and Trademarks Box PCT Washington. D.C. 20231	Authorized officer VINCENT MILLIN
Facsimile No. (703) 305-3230	Telephone No. (703) 308-1065